

Executive Summary – Enforcement Matter – Case No. 49237

Davis Gas Processing, Inc.

RN100217686

Docket No. 2014-1253-AIR-E

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

Big Lake Gas Plant, located six miles east of Big Lake on U.S. Highway 67, Reagan County

Type of Operation:

Oil and gas production plant

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: January 23, 2015

Comments Received: No

Penalty Information

Total Penalty Assessed: \$26,689

Amount Deferred for Expedited Settlement: \$5,337

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$21,352

Total Due to General Revenue: \$0

Payment Plan: N/A

SEP Conditional Offset: \$0

Name of SEP: N/A

Compliance History Classifications:

Person/CN - Satisfactory

Site/RN - Unsatisfactory

Major Source: Yes

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: April 2014

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: July 21, 2014

Date(s) of NOE(s): August 15, 2014

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Davis Gas Processing, Inc.
RN100217686
Docket No. 2014-1253-AIR-E

Violation Information

1. Failed to report all instances of deviations. Specifically, for the April 5, 2012 through October 4, 2012 reporting period, the Respondent did not report a non-reportable emissions event that occurred due to an Amine Unit malfunction as a deviation [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(A), Federal Operating Permit ("FOP") No. O3060, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") No. 5(b), and TEX. HEALTH & SAFETY CODE § 382.085(b)].
2. Failed to maintain records of daily flare observations. Specifically, records of daily observations were not kept for the flare for a total of 74 days between October 5, 2012 and April 4, 2013 [30 TEX. ADMIN. CODE § 111.111(a)(4)(A)(ii) and TEX. HEALTH & SAFETY CODE § 382.085(b)].
3. Failed to maintain records of quarterly visible emissions observations of stationary vents. Specifically, records were not maintained from January 1, 2013 through April 4, 2013 for Units 01, 02, 03, 04, 05, 06, 07, 08, 09, 10, 14, 15, 16, 23, 24, 25, and 26 [30 TEX. ADMIN. CODE § 122.143(4), FOP No. O3060, and STC No. 3.A.(iv)(3), and TEX. HEALTH & SAFETY CODE § 382.085(b)].
4. Failed to maintain inspection records. Specifically, records of monthly audio, visual, and olfactory inspections for the flare capture system were not maintained for February 2013, and records of monthly valve and carseal inspections were not maintained for December 2012 and January 2013 [30 TEX. ADMIN. CODE § 116.115(c), New Source Review Permit No. 48944, Special Condition No. 9.C., and TEX. HEALTH & SAFETY CODE § 382.085(b)].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

The Respondent has implemented the following:

- a. On May 9, 2013, improved deviation reporting procedures in order to emphasize the review and accurate completion of deviation reports; and
- b. On October 15, 2013, trained an additional technician in order to ensure that records of daily visible emissions observations of the Flare, Emissions Point No. 17, monthly inspections of the flare capture system, monthly inspections of the valves and carseals, and quarterly observations of stationary vents are maintained.

Technical Requirements:

N/A

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Davis Gas Processing, Inc.
RN100217686
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Litigation Information

Date Petition(s) Filed: N/A
Date Answer(s) Filed: N/A
SOAH Referral Date: N/A
Hearing Date(s): N/A
Settlement Date: N/A

Contact Information

TCEQ Attorney: N/A
TCEQ Enforcement Coordinator: Raime Hayes-Falero, Enforcement Division,
Enforcement Team 5, MC R-12, (713) 767-3567; Candy Garrett, Enforcement Division,
MC 219, (512) 239-1456
TCEQ SEP Coordinator: N/A
Respondent: J. L. Davis, President, Davis Gas Processing, Inc., 211 North Colorado
Street, Midland, Texas 79701
Michael K. Davis, Executive Vice President, Davis Gas Processing, Inc., 211 North
Colorado Street, Midland, Texas 79701
Respondent's Attorney: N/A



Penalty Calculation Worksheet (PCW)

Policy Revision 4 (April 2014)

PCW Revision March 26, 2014

TCEQ

DATES	Assigned	18-Aug-2014	Screening	28-Aug-2014	EPA Due	
	PCW	23-Oct-2014				

RESPONDENT/FACILITY INFORMATION

Respondent	Davis Gas Processing, Inc.		
Reg. Ent. Ref. No.	RN100217686		
Facility/Site Region	8-San Angelo	Major/Minor Source	Major

CASE INFORMATION

Enf./Case ID No.	49237	No. of Violations	4
Docket No.	2014-1253-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Raime Hayes-Falero
		EC's Team	Enforcement Team 5
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$25,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)	Subtotal 1	\$15,250
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ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History	100.0%	Enhancement	Subtotals 2, 3, & 7	\$15,250
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Notes: Enhancement for one NOV with dissimilar violations, four orders with denial of liability, and two orders without denial of liability.

Culpability	No	0.0%	Enhancement	Subtotal 4	\$0
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Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments	Subtotal 5	-\$3,811
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Economic Benefit	0.0%	Enhancement*	Subtotal 6	\$0
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Total EB Amounts: \$240
Estimated Cost of Compliance: \$6,000
*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7	Final Subtotal	\$26,689
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OTHER FACTORS AS JUSTICE MAY REQUIRE

0.0%	Adjustment	\$0
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Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

Final Penalty Amount	\$26,689
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STATUTORY LIMIT ADJUSTMENT

Final Assessed Penalty	\$26,689
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DEFERRAL

20.0%	Reduction	Adjustment	-\$5,337
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Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes:

Deferral offered for expedited settlement.

PAYABLE PENALTY

\$21,352

Screening Date 28-Aug-2014

Docket No. 2014-1253-AIR-E

PCW

Respondent Davis Gas Processing, Inc.

Policy Revision 4 (April 2014)

Case ID No. 49237

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100217686

Media [Statute] Air

Enf. Coordinator Raime Hayes-Falero

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>)	0	0%
	Other written NOVs	1	2%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	4	80%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	2	50%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of judgments or consent decrees meeting criteria</i>)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (<i>number of counts</i>)	0	0%
Emissions	Chronic excessive emissions events (<i>number of events</i>)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which notices were submitted</i>)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	0	0%
Please Enter Yes or No			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 132%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance
History
Notes

Enhancement for one NOV with dissimilar violations, four orders with denial of liability, and two orders without denial of liability.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 132%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 100%

Screening Date 28-Aug-2014
Respondent Davis Gas Processing, Inc.
Case ID No. 49237

Docket No. 2014-1253-AIR-E

PCW

Policy Revision 4 (April 2014)
PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100217686

Media [Statute] Air

Enf. Coordinator Ralme Hayes-Falero

Violation Number 1

Rule Cite(s)

30 Tex. Admin. Code §§ 122.143(4) and 122.145(2)(A), Federal Operating Permit ("FOP") No. O3060, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") No. 5(b), and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to report all instances of deviations. Specifically, for the April 5, 2012 through October 4, 2012 reporting period, the Respondent did not report a non-reportable emissions event that occurred due to an Amine Unit malfunction as a deviation.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
		Actual	Potential	Potential	
					0.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
			X	1.0%

Matrix Notes

Less than 30% of the rule requirement was not met.

Adjustment \$24,750

\$250

Violation Events

Number of Violation Events 1 181 Number of violation days

mark only one with an x	daily	
	weekly	
	monthly	
	quarterly	
	semiannual	
	annual	
	single event	X

Violation Base Penalty \$250

One single event is recommended.

Good Faith Efforts to Comply

25.0%

Reduction \$62

	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary	X	
N/A		(mark with x)

Notes

The Respondent completed corrective action on May 9, 2013, before the August 15, 2014 NOE.

Violation Subtotal \$188

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$38

Violation Final Penalty Total \$438

This violation Final Assessed Penalty (adjusted for limits) \$438

Economic Benefit Worksheet

Respondent Davis Gas Processing, Inc.

Case ID No. 49237

Reg. Ent. Reference No. RN100217686

Media Air

Violation No. 1

Percent Interest 5.0
Years of Depreciation 15

Item Cost **Date Required** **Final Date** **Yrs** **Interest Saved** **Onetime Costs** **EB Amount**
Item Description No commas or \$

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$1,500	3-Nov-2012	9-May-2013	0.51	\$38	n/a	\$38

Notes for DELAYED costs

Estimated cost to improve deviation reporting procedures. The Date Required is the date the deviation report was due. The Final Date is the date corrective action was completed.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$1,500

TOTAL

\$38

Screening Date 28-Aug-2014

Docket No. 2014-1253-AIR-E

PCW

Respondent Davis Gas Processing, Inc.

Policy Revision 4 (April 2014)

Case ID No. 49237

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100217686

Media [Statute] Air

Enf. Coordinator Raime Hayes-Falero

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code § 111.111(a)(4)(A)(ii) and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to maintain records of daily flare observations. Specifically, records of daily observations were not kept for the flare for a total of 74 days between October 5, 2012 and April 4, 2013.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Major	Moderate	Minor
Actual			
Potential			

Percent 0.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
	x		

Percent 15.0%

Matrix Notes

100% of the rule requirement was not met.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1

74 Number of violation days

mark only one
with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty \$3,750

One single event is recommended for the incomplete set of records.

Good Faith Efforts to Comply

25.0%

Reduction \$937

	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary	X	
N/A		(mark with x)

Notes

The Respondent completed corrective action on October 15, 2013, before the August 15, 2014 NOE.

Violation Subtotal \$2,813

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$77

Violation Final Penalty Total \$6,563

This violation Final Assessed Penalty (adjusted for limits) \$6,563

Economic Benefit Worksheet

Respondent Davis Gas Processing, Inc.
Case ID No. 49237
Reg. Ent. Reference No. RN100217686
Media Air
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System	\$1,500	5-Oct-2012	15-Oct-2013	1.03	\$77	n/a	\$77
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to train an additional technician in order to ensure that records of daily visible emissions observations of the Flare, Emissions Point No. ("EPN") 17, are maintained. The Date Required is the date of initial noncompliance. The Final Date is the date corrective action was completed.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$1,500

TOTAL

\$77

Screening Date 28-Aug-2014

Docket No. 2014-1253-AIR-E

PCW

Respondent Davis Gas Processing, Inc.

Case ID No. 49237

Policy Revision 4 (April 2014)

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100217686

Media [Statute] Air

Enf. Coordinator Raime Hayes-Falero

Violation Number 3

Rule Cite(s) 30 Tex. Admin. Code § 122.143(4), FOP No. O3060, and STC No. 3.A.(iv)(3), and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to maintain records of quarterly visible emissions observations of stationary vents. Specifically, records were not maintained from January 1, 2013 through April 4, 2013 for Units 01, 02, 03, 04, 05, 06, 07, 08, 09, 10, 14, 15, 16, 23, 24, 25, and 26.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
	X		

Percent 15.0%

Matrix Notes

100% of the rule requirement was not met.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1

93 Number of violation days

mark only one
with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	X

Violation Base Penalty \$3,750

One single event is recommended for the incomplete set of records.

Good Faith Efforts to Comply

25.0%

Reduction \$937

	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary	X	
N/A		(mark with x)

Notes

The Respondent completed corrective action on October 15, 2013, before the August 15, 2014 NOE.

Violation Subtotal \$2,813

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$59

Violation Final Penalty Total \$6,563

This violation Final Assessed Penalty (adjusted for limits) \$6,563

Economic Benefit Worksheet

Respondent Davis Gas Processing, Inc.

Case ID No. 49237

Reg. Ent. Reference No. RN100217686

Media Air

Violation No. 3

Percent Interest	Years of Depreciation
5.0	15

Item Cost **Date Required** **Final Date** **Yrs** **Interest Saved** **Onetime Costs** **EB Amount**
Item Description No commas or \$

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System	\$1,500	1-Jan-2013	15-Oct-2013	0.79	\$59	n/a	\$59
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to maintain records of quarterly visible emissions observations of stationary vents. The Date Required is the first date of noncompliance and the Final Date is the date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal			0.00	\$0	\$0	\$0
Personnel			0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling			0.00	\$0	\$0	\$0
Supplies/Equipment			0.00	\$0	\$0	\$0
Financial Assurance [2]			0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]			0.00	\$0	\$0	\$0
Other (as needed)			0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$1,500

TOTAL

\$59

Screening Date 28-Aug-2014

Docket No. 2014-1253-AIR-E

PCW

Respondent Davis Gas Processing, Inc.

Policy Revision 4 (April 2014)

Case ID No. 49237

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100217686

Media [Statute] Air

Enf. Coordinator Raime Hayes-Falero

Violation Number 4

Rule Cite(s) 30 Tex. Admin. Code § 116.115(c), NSR Permit No. 48944, SC No. 9.C., and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to maintain inspection records. Specifically, records of monthly audio, visual, and olfactory ("AVO") inspections for the flare capture system were not maintained for February 2013, and records of monthly valve and carseal inspections were not maintained for December 2012 and January 2013.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

	Harm		
Release	Major	Moderate	Minor
Actual			
Potential			

Percent 0.0%

>> Programmatic Matrix

	Falsification	Major	Moderate	Minor
		X		

Percent 15.0%

Matrix Notes

100% of the rule requirement was not met.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 2

89 Number of violation days

mark only one
with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	X

Violation Base Penalty \$7,500

Two single events are recommended for each set of incomplete records.

Good Faith Efforts to Comply

25.0%

Reduction \$1,875

	Before NOE/NOV	NOE/NOV to EDRP/Settlement Offer
Extraordinary		
Ordinary	X	
N/A		(mark with x)

Notes

The Respondent completed corrective action on October 15, 2013, before the August 15, 2014 NOE.

Violation Subtotal \$5,625

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$65

Violation Final Penalty Total \$13,125

This violation Final Assessed Penalty (adjusted for limits) \$13,125

Economic Benefit Worksheet

Respondent Davis Gas Processing, Inc.
Case ID No. 49237
Reg. Ent. Reference No. RN100217686
Media Air
Violation No. 4

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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No commas or \$

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System	\$1,500	1-Dec-2012	15-Oct-2013	0.87	\$65	n/a	\$65
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to maintain records of monthly AVO inspections of the flare capture system and monthly inspections of the valves and carseals. The Date Required is the first date of noncompliance and the Final Date is the date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$1,500

TOTAL

\$65



Compliance History Report

PENDING Compliance History Report for CN601282502, RN100217686, Rating Year 2014 which includes Compliance History (CH) components from September 1, 2009, through August 31, 2014.

Customer, Respondent, or Owner/Operator: CN601282502, Davis Gas Processing, Inc. **Classification:** SATISFACTORY **Rating:** 9.68

Regulated Entity: RN100217686, BIG LAKE GAS PLANT **Classification:** UNSATISFACTORY **Rating:** 60.31

Complexity Points: 9 **Repeat Violator:** NO

CH Group: 03 - Oil and Gas Extraction

Location: 6 MI EAST OF BIG LAKE ON U.S. HIGHWAY 67, REAGAN COUNTY, TX

TCEQ Region: REGION 08 - SAN ANGELO

ID Number(s):

AIR OPERATING PERMITS ACCOUNT NUMBER RC0001Q

AIR OPERATING PERMITS PERMIT 3060

AIR NEW SOURCE PERMITS ACCOUNT NUMBER RC0009A

AIR NEW SOURCE PERMITS REGISTRATION 49802

AIR NEW SOURCE PERMITS REGISTRATION 102163

AIR EMISSIONS INVENTORY ACCOUNT NUMBER RC0001Q

AIR OPERATING PERMITS PERMIT 3060

AIR NEW SOURCE PERMITS AFS NUM 4838300003

AIR NEW SOURCE PERMITS PERMIT 48944

AIR NEW SOURCE PERMITS REGISTRATION 100855

AIR NEW SOURCE PERMITS REGISTRATION 120453

Compliance History Period: September 01, 2009 to August 31, 2014 **Rating Year:** 2014 **Rating Date:** 09/01/2014

Date Compliance History Report Prepared: October 01, 2014

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: October 01, 2009 to October 01, 2014

TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.

Name: Raime Hayes-Falero

Phone: (713) 767-3567

Site and Owner/Operator History:

- 1) Has the site been in existence and/or operation for the full five year compliance period? YES
- 2) Has there been a (known) change in ownership/operator of the site during the compliance period? NO
- 3) If YES for #2, who is the current owner/operator? N/A
- 4) If YES for #2, who was/were the prior owner(s)/operator(s)? N/A
- 5) If YES, when did the change(s) in owner or operator occur? N/A

Components (Multimedia) for the Site Are Listed in Sections A - J

A. Final Orders, court judgments, and consent decrees:

1 Effective Date: 05/22/2011 ADMINORDER 2009-1782-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Minor

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)

30 TAC Chapter 122, SubChapter B 122.146(2)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: GOP No O-00380, Site-wide (b)(1) and (2) OP

Description: Failed to certify compliance with the terms and conditions of the Title V permit for at least each 12 month period no later than 30 days after the end of the reporting period. Specifically, the annual certification for the period of August 5, 2008 through August 4, 2009 was due no later than September 3, 2009, and was not submitted until September 21, 2009.

Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)

30 TAC Chapter 122, SubChapter B 122.145(2)(C)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: GOP Number O3060, General Terms B2 OP

Description: Failed to submit deviation reports no later than 30 days after the end of the reporting period. Specifically, the deviation report for the period of August 5, 2008 through February 4, 2009 was due no later than March 6, 2009 and was not submitted until June 25, 2009; the deviation report for the reporting period of February 5, 2009 through August 4, 2009 was due no later than September 3, 2009 and was not submitted until September 21, 2009.

Classification: Moderate

Citation: 30 TAC Chapter 113, SubChapter C 113.390

30 TAC Chapter 116, SubChapter B 116.115(c)

40 CFR Chapter 63, SubChapter C, PT 63, SubPT HH 63.764(c)(1)

40 CFR Chapter 63, SubChapter C, PT 63, SubPT HH 63.765(b)(1)

40 CFR Chapter 63, SubChapter C, PT 63, SubPT HH 63.771(d)(1)(i)(D)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: 48944 Special Condition No. 1 PERMIT

Description: Failed to maintain compliance with the maximum allowable emissions rate table for volatile organic compounds ("VOC") at the dehydration unit [emission point number ("EPN") 12 EG Still Vent]. Specifically, the triethylene glycol emissions from the dehydration unit required a modification of the control process on November 1, 2002, and this change did not occur until August 19, 2009. During the time period from November 1, 2002 until August 19, 2009, the following VOC emissions were released....

Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.121

30 TAC Chapter 122, SubChapter F 122.503(c)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: O-00380 Site-wide requirements (b)(5) OP

Description: Failed to submit an application for a new Authorization to Operate under the GOP. Specifically, the change from ethylene glycol to triethylene glycol required an application for a new authorization to operate on November 1, 2002. The new permit was not granted until October 5, 2009.

Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)

30 TAC Chapter 122, SubChapter B 122.145(2)(A)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: 514 Site-wide requirements (b)(1)&(2) OP

Description: Failed to report all instances of deviations no later than 30 days after the end of the reporting period. Specifically, the deviation report for the reporting period of August 5, 2002 through February 4, 2003, failed to include the deviation of the change in use from ethylene glycol to triethylene glycol on November 1, 2002; it was not included in a report until September 21, 2009 (2,391 days late)

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter A 101.10(a)

5C THSC Chapter 382 382.085(b)

Description: Failed to submit a complete and accurate Emissions Inventory ("EI"). Specifically, the EI for the years 2002 through 2007 and 2009 did not contain accurate information.

Classification: Minor

Citation: 2A TWC Chapter 5, SubChapter A 5.702

30 TAC Chapter 101, SubChapter A 101.27(a)

5C THSC Chapter 382 382.085(b)

Description: Failed to pay outstanding air emissions fees for Financial Administration Account No. 21004388.

2 Effective Date: 02/05/2012 ADMINORDER 2011-1119-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)

5C THSC Chapter 382 382.085(b)

Description: Failed to submit initial notifications for Incident Nos. 150548, 150594, and 152785 within 24 hours after discovery of the emissions events.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

30 TAC Chapter 122, SubChapter B 122.143(4)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: 48944 PERMIT

Special Terms and Conditions No. 5 OP

Description: Failed to prevent unauthorized emissions.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

30 TAC Chapter 122, SubChapter B 122.143(4)

5C THSC Chapter 382 382.085(b)

Pending Compliance History Report for CN601282502, RN100217686, Rating Year 2014 which includes Compliance History (CH) components from October 01, 2009, through October 01, 2014.

Rqmt Prov: 48944 PERMIT
Special Terms and Conditions No. 5 OP
Description: Failed to prevent unauthorized emissions.
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: 48944 PERMIT
Standard Terms and Conditions No. 5 OP
Description: Failed to prevent unauthorized emissions.

- 3 Effective Date: 08/02/2012 ADMINORDER 2011-2008-AIR-E (1660 Order-Agreed Order With Denial)
Classification: Minor
Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)
5C THSC Chapter 382 382.085(b)
Description: Failed to submit an initial notification for Incident No. 155062 within 24 hours after discovery of the emissions event. Specifically, the initial notification was due by May 25, 2011 at 2:00 p.m., but was not submitted until May 30, 2011 at 11:18 a.m.
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: 48944 PERMIT
General Terms and Conditions OP
Special Terms and Conditions No. 5 OP
Description: Failure to prevent unauthorized emissions.
Classification: Minor
Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)
5C THSC Chapter 382 382.085(b)
Description: Failed to submit an initial notification for Incident No. 156106 within 24 hours after discovery of the emissions event. Specifically, the initial notification was due by June 24, 2011 at 12:24 p.m., but was not submitted until June 24, 2011 at 2:22 p.m.
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: 48944 PERMIT
General Terms and Conditions OP
Special Terms and Conditions No. 5 OP
Description: Failure to prevent unauthorized emissions.
Classification: Minor
Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)
5C THSC Chapter 382 382.085(b)
Description: Failed to submit an initial notification for Incident No. 157881 within 24 hours after discovery of the emissions event. Specifically, the initial notification was due by August 9, 2011 at 3:05 p.m., but was not submitted until August 10, 2011 at 4:35 p.m.
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: 48994 PERMIT
General Terms and Conditions OP
Special Terms and Conditions No. 5 OP
Description: Failure to prevent unauthorized emissions.
Classification: Minor
Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)
5C THSC Chapter 382 382.085(b)
Description: Failed to submit an initial notification for Incident No. 159321 within 24 hours after discovery of the emissions event. Specifically, the initial notification was due by September 17, 2011 at 9:07 a.m., but was not submitted until September 17, 2011 at 2:19 p.m.
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: 48944 PERMIT
General Terms and Conditions OP
Special Terms and Conditions No. 5 OP
Description: Failure to prevent unauthorized emissions.

- 4 Effective Date: 12/16/2012 ADMINORDER 2012-0982-AIR-E (1660 Order-Agreed Order With Denial)
Classification: Minor
Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)
5C THSC Chapter 382 382.085(b)
Description: Failed to submit an initial notification for Incident No. 160052 within 24 hours after discovery of the emissions event. Specifically, the initial notification was due by October 4, 2011 at 3:00 a.m., but was not submitted until October 4, 2011 at 1:51 p.m.
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: 48944 PERMIT
FOP 03060, GTC OP
FOP 03060, ST&C 5 OP
Description: Failed to prevent unauthorized emissions. Specifically, the Respondent released 1,856.14 lbs of SO₂, 218.02 lbs of CO, 164.00 lbs of VOCs, 106.68 lbs of NO_x, and 19.7 lbs of H₂S from the Plant Flare, EPN 17, during an emissions event (Incident No. 160052) that began on October 3, 2011 and lasted six hours and 12 minutes. The emissions event was caused when the acid gas compressor shut down due to low suction.
- 5 Effective Date: 11/11/2013 ADMINORDER 2012-2029-AIR-E (Findings Order-Agreed Order Without Denial)
Classification: Major
Citation: 30 TAC Chapter 101, SubChapter A 101.20(2)
30 TAC Chapter 113, SubChapter C 113.390
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT HH 63.765(c)(1)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: 48944, Special Condition 1 PERMIT
48944, Special Condition 7 PERMIT
03060, General Terms and Conditions OP
03060, Special Terms & Conditions No. 5 OP
Description: Failed to route emissions from Unit 12 to the flare, EPN 17.
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter F 116.615(2)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: 90541 PERMIT
Description: Failed to comply with representations and emission limits in a standard permit.
Classification: Minor
Citation: 30 TAC Chapter 122, SubChapter B 122.145(2)(A)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: General Terms and Conditions OP
Description: Failed to report all instances of deviations.
Classification: Moderate
Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(4)(A)(ii)
5C THSC Chapter 382 382.085(b)
Description: Failed to monitor and record visible emission observations for EPN 17.
Classification: Minor
Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)
5C THSC Chapter 382 382.085(b)
Description: Failed to submit an initial notification for Incident No. 170653 within 24 hours after discovery of the emissions event.
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: 48944 PERMIT

O3060, General Terms & Conditions OP

O3060, Special Terms & Conditions No. 5 OP

Description: Failure to prevent unauthorized emissions.

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)

5C THSC Chapter 382 382.085(b)

Description: Failed to submit an initial notification for Incident No. 162457 within 24 hours after discovery of the emissions event.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

30 TAC Chapter 122, SubChapter B 122.143(4)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: 48944 PERMIT

O3060, General Terms & Conditions OP

O3060, Special Terms & Conditions No. 5 OP

Description: Failed to prevent unauthorized emissions.

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)

5C THSC Chapter 382 382.085(b)

Description: Failed to submit an initial notification for Incident No. 179743 within 24 hours after discovery of the emissions event.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

30 TAC Chapter 122, SubChapter B 122.143(4)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: 48944 PERMIT

O3060, General Terms & Conditions OP

O3060, Special Terms & Conditions No. 5 OP

Description: Failed to prevent unauthorized emissions.

6

Effective Date: 09/19/2014 ADMINORDER 2014-0337-AIR-E (Findings Order-Agreed Order Without Denial)

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)

5C THSC Chapter 382 382.085(b)

Description: Failed to submit an initial notification for Incident No. 191311 within 24 hours after discovery of the emissions event.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)

30 TAC Chapter 116, SubChapter B 116.115(c)

30 TAC Chapter 122, SubChapter B 122.143(4)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: 48944 PERMIT

General Terms and Conditions OP

Special Terms and Conditions No. 5 OP

Description: Failed to prevent unauthorized emissions. Since this emissions event was reported late, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)

5C THSC Chapter 382 382.085(b)

Description: Failed to submit an initial notification for Incident No. 192057 within 24 hours after discovery of the emissions event.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)

30 TAC Chapter 116, SubChapter B 116.115(c)

30 TAC Chapter 122, SubChapter B 122.143(4)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: 48944 PERMIT

General Terms and Conditions OP

Special Terms and Conditions No. 5 OP

Description: Failed to prevent unauthorized emissions. Since this emissions event was reported late, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

D. The approval dates of investigations (CCEDS Inv. Track. No.):

Item 1	October 12, 2009	(777778)
Item 2	December 28, 2009	(786618)
Item 3	February 24, 2010	(793085)
Item 4	March 29, 2010	(797344)
Item 5	June 16, 2010	(827138)
Item 6	January 12, 2011	(887342)
Item 7	January 21, 2011	(890688)
Item 8	March 10, 2011	(899589)
Item 9	June 28, 2012	(1014460)
Item 10	January 30, 2013	(1056006)
Item 11	January 31, 2013	(1056072)
Item 12	February 04, 2013	(1056543)
Item 13	February 06, 2013	(1056733)
Item 14	February 11, 2013	(1057167)
Item 15	February 21, 2013	(1056841)
Item 16	February 25, 2013	(1059313)
Item 17	February 26, 2013	(1059802)
Item 18	February 28, 2013	(1060178)
Item 19	March 06, 2013	(1073184)
Item 20	March 07, 2013	(1073390)
Item 21	March 13, 2013	(1073776)
Item 22	March 18, 2013	(1074272)
Item 23	April 16, 2013	(1078168)
Item 24	April 14, 2014	(1160061)

E. Written notices of violations (NOV) (CCEDS Inv. Track. No.):

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action, nor proof that a violation has actually occurred.

1	Date:	06/20/2014	(1171542)	
	Self Report?	NO		Classification: Moderate
	Citation:	30 TAC Chapter 116, SubChapter B 116.110(a) 5C THSC Chapter 382 382.085(b)		
	Description:	Failure to obtain an appropriate air quality authorization.		

F. Environmental audits:

N/A

G. Type of environmental management systems (EMSs):

N/A

H. Voluntary on-site compliance assessment dates:

N/A

I. Participation in a voluntary pollution reduction program:

N/A

J. Early compliance:

N/A

Sites Outside of Texas:

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
DAVIS GAS PROCESSING, INC.
RN100217686**

**§ BEFORE THE
§
§ TEXAS COMMISSION ON
§
§ ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2014-1253-AIR-E

I. JURISDICTION AND STIPULATIONS

On _____, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Davis Gas Processing, Inc. ("Respondent") under the authority of TEX. HEALTH & SAFETY Code ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent together stipulate that:

1. The Respondent owns and operates an oil and gas production plant located six miles east of Big Lake on United States Highway 67, Reagan County, Texas (the "Plant").
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Executive Director and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about August 20, 2014.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Twenty-Six Thousand Six Hundred Eighty-Nine Dollars (\$26,689) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Twenty-One Thousand Three Hundred Fifty-Two Dollars (\$21,352) of the administrative penalty and Five

Thousand Three Hundred Thirty-Seven Dollars (\$5,337) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty.

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a).
9. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant:
 - a. On May 9, 2013, improved deviation reporting procedures in order to emphasize the review and accurate completion of deviation reports; and
 - b. On October 15, 2013, trained an additional technician in order to ensure that records of daily visible emissions observations of the Flare, Emissions Point No. 17, monthly inspections of the flare capture system, monthly inspections of the valves and carseals, and quarterly observations of stationary vents are maintained.
10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Plant, the Respondent is alleged to have:

1. Failed to report all instances of deviations, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(A), Federal Operating Permit ("FOP") No. O3060, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") No. 5(b) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on July 21, 2014. Specifically, for the April 5, 2012 through October 4, 2012 reporting period, the Respondent did not report a non-reportable emissions event that occurred due to an Amine Unit malfunction as a deviation.

2. Failed to maintain records of daily flare observations, in violation of 30 TEX. ADMIN. CODE § 111.111(a)(4)(A)(ii) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on July 21, 2014. Specifically, records of daily observations were not kept for the flare for a total of 74 days between October 5, 2012 and April 4, 2013.
3. Failed to maintain records of quarterly visible emissions observations of stationary vents, in violation of 30 TEX. ADMIN. CODE § 122.143(4), FOP No. O3060 and STC No. 3.A.(iv)(3) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on July 21, 2014. Specifically, records were not maintained from January 1, 2013 through April 4, 2013 for Units 01, 02, 03, 04, 05, 06, 07, 08, 09, 10, 14, 15, 16, 23, 24, 25, and 26.
4. Failed to maintain inspection records, in violation of 30 TEX. ADMIN. CODE § 116.115(c), NSR Permit No. 48944, SC No. 9.C., and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on July 21, 2014. Specifically, records of monthly audio, visual, and olfactory inspections for the flare capture system were not maintained for February 2013, and records of monthly valve and carseal inspections were not maintained for December 2012 and January 2013.

III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Davis Gas Processing, Inc., Docket No. 2014-1253-AIR-E" to:

Financial Administration Division, Revenue Operations Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088
2. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
3. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1)

enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.

4. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.
5. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, whichever is earlier.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission


For the Executive Director

3/25/15
Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.


Signature

12-17-14
Date

Michael K. Davis
Name (Printed or typed)
Authorized Representative of
Davis Gas Processing, Inc.

Executive Vice-President
Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenue Operations Section at the address in Section IV, Paragraph 1 of this Agreed Order.